

LEP - Growth Deal Management Board

**Minutes of the Meeting held on Wednesday, 13th April, 2016 at 1.30pm
in Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall,
Preston**

Present:

Mr G Cowley (Chair)

Mr Andrew Bond
Mr A Cavill
Ms Lawty-Jones
Mrs S Procter

Mr G Smith
Professor R Walsh
Ms J Whittaker

Observer

Ms K O'Connor – Department for Business, Innovation and Skills.

In attendance

Miss J Ainsworth, Subject Matter Expert/Specialist Adviser Finance, LCC.
Mr D Gordon, Project Officer - Strategic Development, LCDL.
Mrs J Johnson Subject Matter Expert/Specialist Adviser Legal, LCC.
Ms K Molloy, Head of Service, LEP Coordination, LCC.
Mr M Neville - Company Services Officer, Democratic Services, LCC.
Ms A Parkinson – Programme Manager, LCC

Mr E Higgins and Mr K Hutchinson – Balfour Beatty.

1. Welcome and Apologies for Absence

The Chair welcomed Ms O'Connor from BIS who was attending in place of Mr Allen and also introduced Mr Higgins and Mr Hutchinson from Balfour Beatty who would be giving a presentation on social value.

Apologies for absence were presented on behalf of Mr E Sutton, Director of Development and Corporate Services LCC and Mr I Young, the Director of Governance, Finance and Public Services. It was also noted that in accordance with item 4 in the revised Terms of Reference Mr Bond from Blackburn with Darwen Borough Council was attending the meeting in place of Mr Bailey.

2. Declarations of Interest

Mr G Smith, Ms J Whittaker, Professor R Walsh and Mr A Cavill all declared interests as they represented organisations which were either involved in making applications for or were in receipt of Growth Deal funding.

3. Revised Terms of Reference

Mr Neville informed the meeting that following a recent review of the Terms of Reference for the eight Committees of the LEP a number of minor amendments had been approved by the LEP Board on the 5th April 2016.

The Committee noted that the main changes to the Terms of Reference related to clarification on the use of substitute representatives on some of the Committees where substitutes had previously attended, the inclusion of wording to state that any observers who attend Committee meetings are subject to the LEP Assurance Framework protocol on observer attendees and some minor revisions to the quorums required for each Committee to be able to conduct business.

A copy of the revised Terms of Reference is set out in the Minute Book.

Resolved: That the revised Terms of Reference for the Growth Deal Management Board, as presented and approved by the LEP Board on the 5th April, 2016, is noted.

4. Minutes of the meeting held on 9th March 2016

Resolved: That the Minutes of the meeting held on the 9th March, 2016, are confirmed as an accurate record and signed by the Chair.

5. Matters Arising

It was noted that an update in relation to the three applications for Growth Deal Funding which were considered by the Committee in March 2016 and subsequently reported to the LEP Board on the 5th April 2016 would be provided under item 9 on the agenda.

6. Social Value

Ms Parkinson informed the meeting that in accordance with the decision of the Committee Officers had been working with project sponsors to identify social value benefits associated with projects. It was noted that in future discussions in relation to social value would take place as part of the project monitoring rather than the reporting/claims process in order to ensure that any social value outcomes which emerged would be captured and celebrated.

Presentation

Mr Higgins and Mr Hutchinson gave a presentation on Balfour Beattys approach to incorporating social value into the Companys projects. Mr Higgins stressed the importance of using a locally based workforce and suppliers in addition to providing opportunities for skills development through work placements, Supply Chain Apprenticeships and working with schools/colleges. He added that the Company produced its own report in relation to social value outcomes which

could then be shared with others in order to present the benefits in an easily understood format.

Mr Hutchinson reported that it was vital for project managers to have a clear understanding of what was required in terms of social value and how those requirements could be achieved. The Company provided support for both customers and supply chain in relation to achieving social value through its managers and provision of an ELearning course for SMEs via an external provider.

In conclusion the Committee acknowledged that in order to achieve social value outcomes it was important to be clear about what was required of project sponsors/developers at the start and to carefully monitor the progress of a project and ensure that requirements are delivered.

On behalf of the Committee the Chair thanked Mr Higgins and Mr Hutchinson for their informative presentation.

Resolved:

1. That Officers continue to work with Mr Higgins and Mr Hutchinson to develop a process for achieving social value outcomes in relation to Growth Deal projects in Lancashire.
2. That Mr Hutchinson be requested to provide case studies regarding Balfour Beatty projects which have resulted in social value outcomes which can be used as part of the Toolkit for Wider Economic and Social Benefits for Growth Deal Projects in Lancashire.

Mr Higgins and Mr Hutchinson left the meeting at this point.

7. Monitoring and Evaluation Sub Group Update

It was reported that from the 1st April, 2016, responsibility for the Monitoring and Evaluation Sub Group had moved to the Economic Development Group which was in the process of reviewing how monitoring would work in the future and revising both the Terms of Reference and the membership of the Sub Group.

A copy of the latest version of the Monitoring and Evaluation Framework was presented and it was suggested that the wording on page 7 be amended as Skills Capital was no longer specifically available to Further Education institutions. It was also suggested that on page 22 reference should be made to learner numbers and that in the future the Framework should also include reference to Social Value.

Resolved:

1. That the report is noted.
2. That the Monitoring and Evaluation Framework be amended in relation to the comments of the Committee as set out above.

8. Growth Deal Finance Summary

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

In considering the report the Committee noted that the total payment to listed projects in 2015/16 would be £31.99m from a total fund of £39.35m with the remaining slippage to be allocated to City Deal projects and repaid in future years in line with DCLG advice received in November 2015. The Committee also recognised the need to recoup project slippage wherever possible in 2016/17 and to ensure that future projects remained on track in relation to their spend profile.

It was also reported that details of two major projects for 2016/17 would be presented at the next meeting for consideration.

Resolved:

1. That the Growth Fund Profile, as set out in the report presented, is accepted following adjustments from the last meeting.
2. That both the spend to date and the spend to be made in 2015/16, as set out in the report presented, are noted.
3. That the 2015/16 in year spend be balanced to the funding as set out in the report presented.
4. That the profiling of funding for projects is considered to be as accurate possible at initial stages of project development and that the Committee manage the projects in order to recoup slippage and new projects to remain on track in relation to spend in 2016/17.
5. That a list of pipeline projects be identified for consideration in relation any underspends in growth deal and large projects to be ready for Growth Deal 3 as announced as part of the Comprehensive Spending Review.

9. Report on relevant issues from LEP meeting.

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Ms Molloy informed the meeting that the LEP Board on the 5th April 2016 had received a report on three applications for Growth Deal funding which had been considered by the Committee in March.

In response to a query regarding the recommendations made by the Committee Ms Molloy confirmed that following discussions with the scheme sponsor and independent appraiser the Chair of the Committee had been satisfied that an additional £500k of funding was justified in relation to project GF02-28. She added that further discussions with the project sponsor in relation to projects GF01-40-s and GF02-30 had also satisfied the Chair that the issues highlighted in the independent assessments had been addressed to such an extent that the projects could also be recommended to the LEP Board for approval.

It was reported that the LEP Board had subsequently approved, subject to a number of conditions, the following allocations:

£1.7m to Project GF02-28 Burnley Vision Park
£451k to Project GF02-30 Making Rooms – Lancashire First Fab Lab
£250k to project GF01-40-S Café Northcote @Cathedral Quarter.

With regard to BREEAM the Committee noted that the LEP Board had requested the Chair of the Committee and Officers, to prepare a framework for consideration by the LEP Board which would seek to ensure the high quality design and environment sustainability aspects of BREEAM were considered when developing, appraising and delivering Growth Deal projects in the future.

It was also reported that the LEP Board had approved Growth Deal funding for 6 skills capital projects (totalling £4,736,308) as recommended by the Lancashire Skills and Employment Board. Details of the skills capital projects were circulated at the meeting for the information of Committee members.

Resolved: That the decisions of the LEP Board on the 5th April 2016 in relation to the management and delivery of Lancashire's Growth Deal, as specified above, are noted.

10. Local Growth Fund Agreements

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

The Committee received an update in relation to the development of Local Growth Fund Agreements (LGFA) and were advised that the Agreements in relation to projects GF01-12-S and GF01-17-S had been completed and did not deviate from the Core LGF Agreement

With regard to the future it was suggested that only those projects where the LGFA was finalised and in place should be shown as Green in reports with approved schemes awaiting finalisation of a LGFA being shown as Amber. It was also proposed that in future reports include a target completion date for each LGFA to assist in the monitoring of progress.

Resolved:

1. That the completed Local Growth Fund Agreements in relation to projects GF01-12-S and GF01-17-S, as tabled at the meeting are approved.
2. That any project which has received LEP Board approval but does not yet have a Growth Fund Agreement finalised should be shown as Amber in future tracking reports.
3. That future tracking reports also include a target completion date for each Growth Fund Agreement to assist in the monitoring of progress.

11. Growth Deal Implementation

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Ms Parkinson presented an updated report on the implementation of the Growth Deal which included details of the metrics for those projects which had a Growth Deal Funding Agreement/Memorandum in place. She informed the meeting that in future the report would only highlight progress on specific projects rather than enclose an updated version of the entire document.

Resolved: That the updates in relation to the implementation of the Growth Deal and the metrics summary, as set out in the report presented, are noted.

12. Reporting to the Lancashire Enterprise Partnership Board.

It was agreed that there were no matters on the agenda which required referral to the LEP Board.

13. Proposed Programme of Meetings 2016/17

Mr Neville reported that the proposed dates for meetings in 2016/17 had been circulated to all members of the Committee and, as no objections had been received, was now presented for approval.

It was suggested that the meeting in October, 2016, be held at Runshaw College rather than County Hall so that members of the Committee could see how the allocated Growth Deal funding had been used and hear from College representatives about the their experience of the funding process.

Resolved: That the following programme of meetings in 2016/17 is approved.

6 th September 2016	1.30pm	Cabinet Room B – Diamond Jubilee Room, County Hall, Preston.
12 th October 2016	1.30pm	Runshaw College, Langdale Road, Leyland. TBC
7 th December 2016	1.30pm	Cabinet Room D – Henry Bolingbroke Room, County Hall, Preston.
18th January 2017	1.30pm	County Hall, Preston
8th March 2017	1.30pm	County Hall, Preston
7th June 2017	1.30pm	County Hall, Preston
6th September 2017	1.30pm	County Hall, Preston
11th October 2017	1.30pm	County Hall, Preston
6th December 2017	1.30pm	County Hall, Preston

14. Any Other Business

It was reported that the invitation for bids for Growth Deal 3 funding was imminent and Officers were already in the process of identifying potential projects.

The Chair suggested that members of the Committee highlight any additional future projects which they may be aware of so that they could also be considered and assessed in terms of their potential.

15. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 1.30pm on the 8th June 2016 in Cabinet Room D – The Henry Bolingbroke Room at County Hall, Preston.